



The Commonwealth of Massachusetts

DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY

April 29, 2005

NOTICE OF PUBLIC HEARING

D.T.E. 05-27

Investigation by the Department of Telecommunications and Energy on its own motion pursuant to General Laws c. 164, § 94, and 220 C.M.R. §§ 5.00 et seq. as to the propriety of the rates and charges set forth in the following tariffs: M.D.T.E. Nos. 34 through 68, filed with the Department on April 27, 2005 by Bay State Gas Company.

On April 27, 2005, Bay State Gas Company ("Company") filed a petition with the Department of Telecommunications and Energy ("Department") for approval of a \$22.2 million increase in its base rates for firm gas customers. The petition also includes a request for approval of a price cap performance-base rate plan under which the Company proposes to adjust its rates annually for five years, as well as approval of a steel infrastructure replacement adjustment to provide for annual recovery of steel infrastructure replacement investments, and a pension and post-retirement other than pension ("PBOP") reconciling mechanism to provide for recovery of pension and PBOP expenses.

If the Company's petition is approved, the Company states its proposed rates will result in:

- a 4.6 percent increase in the Company's annual total revenues;
- an average increase of \$2.02 (or 7.15 percent) per month for residential gas non-heating customers using 16 therms per month; and
- an average increase of \$4.47 (or 3.24 percent) per month for residential gas heating customers using 104 therms per month.

Bill impacts for commercial and industrial customers will vary. For specific impacts, please contact the Company as indicated below.

The Department has docketed this matter as D.T.E. 05-27 and suspended the effective date of the rate increase until December 1, 2005, in order to investigate the propriety of the Company's request.

The Department has scheduled the following public hearings to receive comment on the Company's proposal:

Wednesday, May 25, 2005 - Town of Ludlow, MA: Ludlow Town Hall,
Selectmen's Conference
Room, 3rd Floor
433 Chapin Street
Ludlow, MA 01056
7:00 p.m.

Thursday, May 26, 2005 - City of Brockton, MA: Brockton City Hall
45 School Street
Brockton, MA 02301
7:00 p.m.

Tuesday, May 31, 2005 - Town of Andover, MA: Memorial Hall Library
2 North Main Street
Andover, MA
7:00 p.m.

Persons interested in commenting on the Company's filing may appear at the public hearing or file written comments with the Department by the close of business (5:00 p.m.) on Tuesday, May 31, 2005. A procedural conference will be held in Boston at the Department's offices at **2 p.m. on Thursday, June 2, 2005.**

Any person who desires to participate in the evidentiary phase of this proceeding must file a written petition for leave to intervene with Mary L. Cottrell, Secretary, Department of Telecommunications and Energy, One South Station - 2nd Floor, Boston, Massachusetts 02110, not later than 5:00 p.m. on **Friday, May 27, 2005.** A petition for leave to intervene must satisfy the timing and substantive requirements of 220 C.M.R. § 1.03. Receipt by the Department - not mailing - constitutes filing and determines whether a petition has been timely filed. A late-filed petition may be disallowed as untimely, unless good cause is shown for waiver pursuant to 220 C.M.R. § 1.01(4). To be allowed, a petition under 220 C.M.R. § 1.03(1) must satisfy the standing requirements of G.L. c. 30A § 10.

All written comments also should be submitted to the Department in electronic format using one of the following methods: (1) by e-mail attachment to dte.efiling@state.ma.us and caroline.bulger@state.ma.us; or (2) on a 3.5" disk. The text of the e-mail or the disk label

must specify: (1) the docket number of the proceeding; (D.T.E. 05-27); (2) name of the person or company submitting the filing; and (3) a brief descriptive title of the document. The electronic filing also should include the name, title, and telephone number of a person to contact in the event of questions about the filing. Text responses should be created in either Corel WordPerfect, Microsoft Word, or as an Adobe-compatible PDF file. Data or spreadsheet responses should be compatible with Microsoft Excel. All comments submitted in electronic format will be posted on the Department's Web site: <http://www.mass.gov/dte/>.

A copy of the petition is available for public viewing during regular business hours at the following locations: Springfield Public Library, Central Library, 220 State Street, Springfield, MA 01101; Brockton Public Library, Main Library, 304 Main Street, Brockton, MA 02301; Lawrence Public Library, Main Library, 51 Lawrence Street, Lawrence, MA 01840; Northampton Public Library, Forbes Library, 20 West Street, Northampton, MA 01060; the offices of Bay State Gas Company, 300 Friberg Parkway, Westborough, MA 01581; and at the offices of the Department, One South Station - 2nd Floor, Boston, Massachusetts 02110. The petition is also available on the Department's Website: <http://www.mass.gov/dte/>. Any person desiring further information regarding this notice should contact Caroline M. Bulger, Hearing Officer at (617) 305-3500.



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Bay State Gas Company is required to publish the attached legal notice in either the Boston Globe or the Boston Herald, and in The Eagle Tribune, The Enterprise, Union-News/Sunday Republican, once at least (21) days prior to May 25, 2005, and once at least (7) days prior to May 25, 2005. The Company is required to give notice of this proceeding to the Chairmen of the Boards of Selectmen, Town Clerks, Mayors, and City Clerks of the attached list.

The Company is required to make return of service and publication at the time of the first public hearing.

By Order of the Department,

/s/

Mary L. Cottrell, Secretary

